



“Understanding The Underpinnings of Your Debt Burden”

André Larabie

If the financial debt world were viewed as a competitive sport, getting out of debt would likely be one of the most difficult events of all, the one requiring the most effort and concentration. Debt reduction can be likened to a monetary marathon that takes skill, dedication, and a lot of endurance. But just like getting in shape physically, the rewards—more money, less stress, and better financial habits—are tremendous.

If your debt burden is relatively small, you could always try to take the 100-yard dash approach, and get rid of each debt as fast as you can. But if you are the average debtor that owes so much that this approach will not easily apply, you will have to take it slower, via the long-distance route. The quick dash will not work and you will burn up all of your resources too fast and you will not be able to finish properly.

Whether you can take the quick-dash approach or the slower marathon route, there is one reality that you cannot avoid: removing your debt burden will require that you come up with resources from somewhere, and if these resources are not currently cash, then you will need to be able to convert them into cash.

How Did You Get Into This Debt Scenario?

The very first thing you will want to do is determine exactly how you fell into debt in the first place. Until you thoroughly understand this, everything else will be difficult. It is sort of like a dam with leaks in it. Until you fix the leaks, you cannot add more water to the lake because it will just keep leaking out. You will discover that it is either something out of the ordinary and totally unexpected—a medical emergency, a job loss, a bankruptcy, or other unforeseen catastrophe—or it is just something



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that has built up over time. Possibly you spend far too much money on general expenses, living beyond your means, and your credit cards have spiraled out of control over many weeks, months, or years.

Understanding the origins and causes of your debt will help you correct the problem since you will have a better idea on how to avoid it in the future.